

## 2007 DRAFTING REQUEST

### Bill

Received: 12/13/2006

Received By: pkahler

Wanted: As time permits

Identical to LRB:

For: Administration-Budget

By/Representing: Jablonsky

This file may be shown to any legislator: NO

Drafter: pkahler

May Contact:

Addl. Drafters:

Subject: Public Assistance - misc

Extra Copies: DAK

Submit via email: NO

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### Pre Topic:

DOA:.....Jablonsky, BB0223 -

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### Topic:

Chronic Disease Program

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### Instructions:

See Attached

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### Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	pkahler 12/14/2006	jdyer 12/14/2006		_____			State
/P1			rschluet 12/14/2006	_____	mbarman 12/14/2006		State
/1	pkahler 01/05/2007	jdyer 01/05/2007	nmatzke 01/05/2007	_____	cduerst 01/05/2007		State
/2	pkahler 01/29/2007	jdyer 01/29/2007	pgreensl 01/29/2007	_____	mbarman 01/29/2007		

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/1	pkahler 01/05/2007	jdyer 01/05/2007	nmatzke 01/05/2007	<i>1/29</i> _____	cduerst 01/05/2007		

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*js*  
*ps*  
**<END>**

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FE Sent For: *nwn 1/5* *nwn 1/5*  
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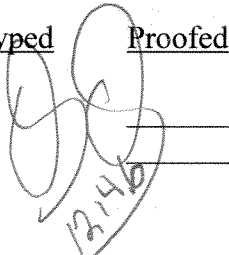
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/?	pkahler	1/11 12/14 jld					

FE Sent For:

<END>

H

## 2007-09 Budget Bill Statutory Language Drafting Request

- Topic: Chronic Disease Program
- Tracking Code: BB0223
- SBO team: Health/Ins
- SBO analyst: Susan Jablonsky
  - Phone: 7-9546
  - Email: Sue.Jablonsky@wisconsin.gov
- Agency acronym: DHFS
- Agency number: 435

I want to amend certain parts of the language for the chronic disease program as described in the attached memo.

Priority - High

## Changes to Wisconsin Chronic Disease Program (WCDP)

### Current Language

s.49.68 (3)(e) – chronic renal disease  
s. 49.683 – adult cystic fibrosis  
s.49.685 – hemophilia

### Proposed Change

- all in 49.687?
1. Amend s.49.68 (3)(e) to remove the reference to fees charged by Medicare.
  2. Amend s.49.68, s. 49.683, and s.49.685 to allow WCDP to require an insurance tape exchange with insurance carriers.
  3. Amend s.49.68, s. 49.683, and s.49.685 to give WCDP the authority to investigate possible fraud and abuse in the program.
  4. Amend s. 49.683 and s.49.685 to protect recipients in the cystic fibrosis and hemophilia programs from being billed for any difference between the amount paid by WCDP and the actual cost of a services. Recipients in the chronic renal disease program already have this protection under s.49.68 (3)(e).

### Background and Rationale for the Change

The Wisconsin Chronic Diseases Program (WCDP) provides payments for chronic renal disease, adult cystic fibrosis services, and hemophilia home care supplies. The program is funded by a sum certain GPR appropriation and, because of current fiscal constraints regarding GPR, it is necessary to control costs as much as possible in the program to avoid limiting enrollment or reducing benefits for current enrollees.

The changes requested will allow the Department to pursue cost containment without significantly altering eligibility or benefit level.

1. The requirement to use Medicare rates is driving expenditures upward unnecessarily in the program. By eliminating this requirement, the Department will be able to reimburse providers using Medicaid rates, which are lower than Medicare rates and which will help to control costs.
2. WCDP is the payer of last resort. By obtaining a tape exchange, WCDP will be able to verify that appropriate third party insurance coverage has been used before WCDP funding.

3. Good management requires the ability to pursue allegations of fraud and abuse as appropriate. Other programs which the Department administers, including Medicaid, have the authority to investigate fraud and abuse.
4. Currently the chronic renal disease subprogram within WCDP forbids "balance billing," under which patients may be charged any difference between the cost of a service and the program's payment for that services. To be equitable, the cystic fibrosis and hemophilia programs should have the same provision.

**Desired Effective Date:** Upon passage of the budget bill  
**Agency:** DHFS  
**Agency Contact:** Ellen Hadidian  
**Phone:** 266-8155





State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-1140/7 PI

PJK: A:...

JW

DOA:.....Jablonsky, BB0223 - Chronic Disease Program

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

do not get cut

1 AN ACT, relating to: the Chronic Disease Program.

*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**PUBLIC ASSISTANCE**

Under current law, DHFS provides financial assistance for the cost of medical care to persons with chronic kidney disease, cystic fibrosis, and hemophilia. This assistance is collectively referred to as the Chronic Disease Program. This bill makes the following changes to the Chronic Disease Program:

1. Eliminates the requirement that rates paid by DHFS for services provided for the treatment of chronic kidney disease must be equal to or not exceed the allowable charges under the federal Medicare program.

2. Prohibits a provider of a service to a person under the Chronic Disease Program from billing the patient for any difference between the amount the state pays under the program and the provider's charge for the service. Currently this prohibition only applies with respect to services for the treatment of chronic kidney disease.

3. Authorizes DHFS to investigate suspected fraudulent activity and other abuses on the part of persons receiving benefits under the Chronic Disease Program.

4. Requires health insurers to provide to DHFS information from their records that would enable DHFS to identify persons receiving benefits under the Chronic Disease Program who are eligible for health insurance benefits.

For further information see the *state*<sup>✓</sup> fiscal estimate, which will be printed as an appendix to this bill.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1 SECTION 1. 49.68 (3) (e)<sup>X</sup> of the statutes is amended to read:

2 49.68 (3) (e) ~~State aids for services provided under this section shall be equal~~  
3 ~~to the allowable charges under the federal Medicare program. In no case shall state~~  
4 ~~rates for individual service elements exceed the federally defined allowable costs.~~  
5 ~~The rate of charges for services not covered by public and private insurance shall not~~  
6 ~~exceed the reasonable charges as established by medicare fee determination~~  
7 ~~procedures. A person that provides to a patient a service for which aid is provided~~  
8 ~~under this section shall accept the amount paid under this section for the service as~~  
9 ~~payment in full and may not bill the patient for any amount by which the charge for~~  
10 ~~the service exceeds the amount paid for the service under this section.~~<sup>✓</sup> The state may  
11 not pay for the cost of travel, lodging, or meals for persons who must travel to receive  
12 inpatient and outpatient dialysis treatment for kidney disease. This paragraph shall  
13 not apply to donor related costs as defined in par. (b).

History: 1973 c. 308; 1975 c. 39; 1977 c. 29; 1981 c. 314; 1983 a. 27; 1985 a. 332 s. 251 (1); 1989 a. 311; 1991 a. 316; 1993 a. 16, 449, 491; 1995 a. 27 ss. 3035 to 3044; Stats. 1995 s. 49.68; 2001 a. 16; 2003 a. 33.

\*\*\*\*NOTE: Do you want to retain the language that payments may not exceed the allowable charges under Medicare<sup>✓</sup>, in other words, the second and third sentences?

14 SECTION 2. 49.687 (title)<sup>X</sup> of the statutes is amended to read:

15 ~~49.687 (title) Disease aids; patient requirements; rebate agreements;~~  
16 ~~cost containment~~ general provisions.<sup>✓</sup>

History: 1983 a. 27; 1989 a. 56; 1991 a. 39; 1993 a. 16, 449; 1995 a. 27 ss. 3063 to 3065; Stats. 1995 s. 49.687; 1997 a. 27; 1999 a. 9; 2001 a. 16; 2003 a. 33, 198.

17 SECTION 3. 49.687 (2r)<sup>X</sup> of the statutes is created to read:

18 49.687 (2r) A person that provides a patient with a service for which aid is  
19 provided under s. 49.68,<sup>✓</sup> 49.683,<sup>✓</sup> or 49.685<sup>✓</sup> shall accept the amount paid under s.

1 49.68, 49.683, or 49.685 for the service as payment in full and may not bill the patient  
2 for any amount by which the charge for the service exceeds the amount paid for the  
3 service under s. 49.68, 49.683, or 49.685.

4 **SECTION 4.** 49.687 (5) of the statutes is created to read:

5 49.687 (5) The department may investigate suspected fraudulent activity and  
6 other abuses on the part of persons receiving benefits under the programs under ss.  
7 49.68, 49.683, and 49.685. The activities of the department under this subsection  
8 may include comparisons of information provided to the department by an applicant  
9 with information provided by the applicant to other federal, state, and local agencies  
10 and the development of an advisory welfare investigation prosecution standard. The  
11 department shall cooperate with district attorneys regarding fraud prosecutions.

\*\*\*\*NOTE: This language is taken directly from s. 49.845 (1), with inapplicable  
portions edited out.

12 **SECTION 5.** 49.687 (6) of the statutes is created to read:

13 49.687 (6) (a) In this subsection:

14 1. "Disability insurance policy" has the meaning given in s. 632.895 (1) (a).

15 2. "Insurer" has the meaning given in s. 600.03 (27).

16 (b) An insurer that issues or delivers a disability insurance policy that provides  
17 coverage to a resident of this state shall provide to the department, upon the  
18 department's request, information contained in the insurer's records regarding all  
19 of the following:

20 1. Information that the department needs to identify persons receiving benefits  
21 under the programs under ss. 49.68, 49.683, and 49.685 who satisfy any of the  
22 following:

23 a. Are eligible for benefits under a disability insurance policy.

1 b. Would be eligible for benefits under a disability insurance policy if the person  
2 were enrolled as a dependent of a person insured under the disability insurance  
3 policy. ✓

4 2. Information required for submittal of claims under the insurer's disability  
5 insurance policy.

6 3. The types of benefits provided by the disability insurance policy. ✓

7 (c) Upon requesting an insurer to provide the information under par. (b), the  
8 department shall enter into a written agreement with the insurer that satisfies all  
9 of the following:

10 1. Identifies in detail the information to be disclosed. ✓

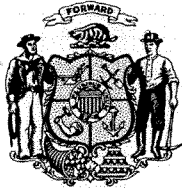
11 2. Includes provisions that adequately safeguard the confidentiality of the  
12 information to be disclosed. ✓

13 (d) 1. An insurer shall provide the information requested under par. (b) ✓ within  
14 180 days after receiving the department's request if it is the first time that the  
15 department has requested the insurer to disclose information under this ✓ subsection.

16 2. An insurer shall provide the information requested under par. (b) ✓ within 30 ✓  
17 days after receiving the department's request if the department has previously  
18 requested the insurer to disclose information under this subsection. ✓

19 3. If an insurer fails to comply with ✓ subd. 1. or 2., the department may notify  
20 the commissioner of insurance, and the commissioner of insurance may initiate  
21 enforcement proceedings against the insurer under s. 601.41 (4) (a). ✓

\*\*\*NOTE: This language is the same as under ss. 49.665 (5m) ✓ and 49.688 (8m). ✓  
Does this satisfy the tape exchange requirement?



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-1140/P1

PJK:jld:rs

*rmisner*

DOA:.....Jablonsky, BB0223 - Chronic Disease Program

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

*D-note  
(in 1-5)*

*do not  
get cut*

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*J*  
→

*e*

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Does this satisfy the tape exchange requirement?

*D-note*



**DRAFTER'S NOTE**  
**FROM THE**  
**LEGISLATIVE REFERENCE BUREAU**

LRB-1140/1dn  
PJK:jld:rs

date

Sue:

Because Debora is including a similar, expanded provision in LRB-0248, this redraft removes proposed s. 49.687 (6), relating to insurers providing information from their records to DHFS to enable DHFS to identify chronic disease aids program beneficiaries who might be eligible for health insurance. If for some reason one of these two drafts does not go into the budget, Debora or I may need to make some modifications to the draft that is included.

Pamela J. Kahler  
Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)

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LRB-1140/1dn

PJK:jld:nwn

January 5, 2007

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Senior Legislative Attorney  
Phone: (608) 266-2682  
E-mail: [pam.kahler@legis.wisconsin.gov](mailto:pam.kahler@legis.wisconsin.gov)



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-1140/1  
PJK:jld:nwn

*r m is run*

DOA:.....Jablonsky, BB0223 - Chronic Disease Program

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

*(just removal of embedded notes)*

*do not get cut*

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(END)



State of Wisconsin  
2007 - 2008 LEGISLATURE

LRB-1140/2

PJK:jld:pg

DOA:.....Jablonsky, BB0223 - Chronic Disease Program

FOR 2007-09 BUDGET -- NOT READY FOR INTRODUCTION

1 **AN ACT ...; relating to:** the Chronic Disease Program.

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*Analysis by the Legislative Reference Bureau*

**HEALTH AND HUMAN SERVICES**

**PUBLIC ASSISTANCE**

Under current law, DHFS provides financial assistance for the cost of medical care to persons with chronic kidney disease, cystic fibrosis, and hemophilia. This assistance is collectively referred to as the Chronic Disease Program. This bill makes the following changes to the Chronic Disease Program:

1. Eliminates the requirement that rates paid by DHFS for services provided for the treatment of chronic kidney disease must be equal to or not exceed the allowable charges under the federal Medicare program.
2. Prohibits a provider of a service to a person under the Chronic Disease Program from billing the patient for any difference between the amount the state pays under the program and the provider's charge for the service. Currently this prohibition only applies with respect to services for the treatment of chronic kidney disease.
3. Authorizes DHFS to investigate suspected fraudulent activity and other abuses on the part of persons receiving benefits under the Chronic Disease Program.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

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*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

1           **SECTION 1.** 49.68 (3) (e) of the statutes is amended to read:

2           ~~49.68 (3) (e) State aids for services provided under this section shall be equal~~  
3 ~~to the allowable charges under the federal Medicare program. In no case shall state~~  
4 ~~rates for individual service elements exceed the federally defined allowable costs.~~  
5 ~~The rate of charges for services not covered by public and private insurance shall not~~  
6 ~~exceed the reasonable charges as established by medicare fee determination~~  
7 ~~procedures. A person that provides to a patient a service for which aid is provided~~  
8 ~~under this section shall accept the amount paid under this section for the service as~~  
9 ~~payment in full and may not bill the patient for any amount by which the charge for~~  
10 ~~the service exceeds the amount paid for the service under this section. The state may~~  
11 ~~not pay for the cost of travel, lodging, or meals for persons who must travel to receive~~  
12 ~~inpatient and outpatient dialysis treatment for kidney disease. This paragraph shall~~  
13 ~~not apply to donor related costs as defined in par. (b).~~

14           **SECTION 2.** 49.687 (title) of the statutes is amended to read:

15           ~~49.687 (title) **Disease aids; patient requirements; rebate agreements;**~~  
16 ~~**cost containment general provisions.**~~

17           **SECTION 3.** 49.687 (2r) of the statutes is created to read:

18           **49.687 (2r)** A person that provides a patient with a service for which aid is  
19 provided under s. 49.68, 49.683, or 49.685 shall accept the amount paid under s.  
20 49.68, 49.683, or 49.685 for the service as payment in full and may not bill the patient

1 for any amount by which the charge for the service exceeds the amount paid for the  
2 service under s. 49.68, 49.683, or 49.685.

3 **SECTION 4.** 49.687 (5) of the statutes is created to read:

4 49.687 (5) The department may investigate suspected fraudulent activity and  
5 other abuses on the part of persons receiving benefits under the programs under ss.  
6 49.68, 49.683, and 49.685. The activities of the department under this subsection  
7 may include comparisons of information provided to the department by an applicant  
8 with information provided by the applicant to other federal, state, and local agencies  
9 and the development of an advisory welfare investigation prosecution standard. The  
10 department shall cooperate with district attorneys regarding fraud prosecutions.

11 (END)